



County of Los Angeles CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

June 10, 2005

To: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

Board of Supervisors
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First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

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Fifth District

SACRAMENTO UPDATE

Update on the Budget Conference Committee

The Budget Conference Committee convened on Friday afternoon, June 10, 2005 and completed its actions on the budget in the late afternoon. We will report next week on the details of their decisions.

Child Support Allocation. On June 6, 2005, the Budget Conference Committee rejected an Assembly recommendation to provide an additional \$2.9 million (\$1 million State General Fund) for child support departments in Los Angeles, Imperial, and San Bernardino Counties. Assembly Member Chu urged her colleagues to support the proposal, indicating that a State investment in child support programs would earn federal matching dollars and increase overall collections. Senator Chesbro, along with the remaining conferees, disagreed and said that any change in allocation should be made within the context of a comprehensive review of the child support program.

Pursuit of County Position on Legislation

AB 779 (De La Torre), as amended on May 27, 2005, would require the California Department of Health Services to work with counties, providers and advocates to implement an automated procedure to give Medi-Cal providers access to the due dates of the annual Medi-Cal redetermination and semi-annual status report, which patients must submit to maintain Medi-Cal eligibility. Under AB 779, Medi-Cal providers would have the option of notifying Medi-Cal beneficiaries of approaching due dates for these required reports using information from the automated system. The State would be

required to implement the automated notification system on or before June 30, 2006, if funds are appropriated for this purpose.

The Department of Public Social Services recommends that the County support AB 779 because alerting Medi-Cal beneficiaries of upcoming reporting requirements would help them retain health care coverage by ensuring that benefits are not terminated because these forms are not submitted. Consistent with current Board policy to reduce the number of uninsured persons and support Medi-Cal retention, **our Sacramento advocates will support AB 779.**

AB 779 is sponsored by the California Primary Care Association and is supported by the Alliance for Rural Community Health, California Association for Health Services at Home, California Association of Public Hospitals and Health Systems, California Immigrant Welfare Collaborative, California Psychological Association, Clinicas del Camino Real, Inc., La Maestra Community Health Centers, Long Valley Health Center, Los Angeles Free Clinic, Mendocino Coast Clinics, Mendocino Community Health Clinics, Inc., National Health Services, Inc., North Coast Clinics, Samuel Dixon Family Health Center, Inc., Shasta Consortium of Community Health Centers, and Tarzana Treatment Centers. There is no registered opposition. AB 779 is awaiting a hearing date in the Senate Health Committee.

AB 1269 (Pavley), as introduced on February 22, 2005, would enact the Clean Air, Clean Water, Coastal Protection, and Parks Act of 2007, which, if adopted by the voters, would authorize an unspecified amount in State General Obligation Bonds for resource protection, acquisition, restoration and development.

AB 1269 has four major funding categories: Clean Air, Clean Water, Coastal Protection, and Parks and Wildlife Protection. The County would be eligible to compete in all four of the funding categories. The bill in its current form does not specify an amount of bond funding that would be authorized nor identify a future statewide ballot for the bond proposal to be submitted to the voters. The bill provides that up to 10 percent of the program funds would be made available to finance monitoring, research, or planning necessary for successful project implementation.

The Clean Air Program would make funding available for projects that provide cost-effective emission reductions of air pollution. The two funding categories applicable to the County are the Carl Moyer Program to reduce pollution from diesel trucks and the Hydrogen Fueling Infrastructure Program to promote the early commercial introduction of hydrogen fuel vehicles. Through the Clean Water Program funds would be available for integrated watershed management projects, river parkway projects, and water quality projects that assist in meeting water quality standards, including storm water cleanup.

The Coastal Protection Program does not specify a level of funding for the restoration of the Santa Monica Bay, and earmarks funds to land conservancies, as well as the California Ocean Protection Trust Fund. Land conservancies identified to receive funding include the State Coastal Conservancy, the Santa Monica Mountains Conservancy, and the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy. As the State and conservancies will likely make these funds available for grants to other local agencies and non-profit organizations for specific projects, the County may become the recipient of a portion of these funds.

The Department of Parks and Recreation notes that AB 1269 does not identify the level of bond funds to implement a State Parks program and a local assistance program under the Parks and Wildlife Protection Program. The local assistance grants program provides funds for competitive grants to local agencies throughout the State for priority park and resource improvements through such programs as the Murray-Hayden Urban Parks and Youth Service Program, and the Urban Parks Act. The current version of the bill does not set the specific funding levels for the various eligible uses and programs. Local agencies would also receive discretionary allocations under the Per Capita Program and the Roberti-Z'berg-Harris Urban Open Space and Recreation Program Act; however, specified funding and program formulas are not set in the bill. The Department of Parks and Recreation recommends that the County support AB 1269.

The Department of Public Works (DPW) indicates that AB 1269 provides an opportunity for the Los Angeles County Flood Control District and DPW to apply for grant funding from the various State agencies receiving appropriations to implement projects to address air and water quality regulations. AB 1269 would make competitive grant funds available to reduce pollution from diesel trucks, to establish hydrogen fueling infrastructure, and to implement watershed management programs, river parkway projects, coastal protection projects, and parks and wildlife protection programs. While DPW agrees with the critical need to fund air and water quality, coastal protection and park programs in the County, the Department indicates that the bill does not provide a mechanism for financing the costs associated with ongoing operations and maintenance of projects once constructed. In addition, DPW is concerned that the funding programs do not include an appropriation to the County that is set through an equitable formula based on population for local projects that address air and water quality, coastal protection, and park programs. DPW recommends that the County support and amend sections of AB 1269 dealing with the Clean Water Program to include an appropriation for water quality projects that is allocated to local agencies on the basis of population and location in urbanized areas.

The Department of Beaches and Harbors (DBH) indicates that Proposition 40 and Proposition 50 limited the ability of DBH to compete for funding as the principal emphasis for coastal and beach protection was on water quality enhancements to the detriment of land-based improvements at County Beaches. DBH indicates that AB 1269 continues the imbalance in eligibility by focusing too heavily on water quality

measures and not enough on other needs that serve to enhance the public's use of beaches and shoreline areas, including access and infrastructure improvements that support beach recreational facilities. In addition, DBH believes that the unique nature of public beaches as regional park facilities is potentially overshadowed in AB 1269. Therefore, DBH recommends that the County support and seek to amend sections of AB 1269 dealing with Coastal Protection Programs and Parks and Wildlife Protection to specify beach facilities and beach improvements in the eligible uses and appropriations for grant assistance.

The Departments of Parks and Recreation, Public Works, and Beaches and Harbors recommend support for AB 1269, and further recommend amendments as noted above, and we concur. Therefore, our Sacramento advocates will support AB 1269 and seek amendments to specify a local appropriation allocated on the basis of population and location in urbanized areas, and to specify beach facilities and beach improvements in the eligible uses and appropriations for grant assistance.

Support for AB 1269 is consistent with Board support for AB 1602 of 2001 which placed a \$2.6 billion park bond on the ballot. It is also consistent with a number of existing County policies, including support for: 1) funding for acquisition, development, and rehabilitation of parks and recreation facilities and open space; 2) increased funding for environmental protection programs and capital projects, including resource, open space, and shoreline protection, as well as Santa Monica Bay and beach restoration; 3) funding to maintain clean beaches and improve the water quality of coastal waters, estuaries, bays, and near shore waters; 4) funding for construction of restrooms, parking lots, access ways, lifeguard and maintenance facilities, landscaping and other infrastructure on public beaches; 5) funding for watershed management projects; 6) funding to assist local governments compliance with existing and pending regulations to reduce emissions from both mobile and fixed sources; and 7) measures to develop and increase the availability of alternative fuel refueling infrastructure.

AB 1269 is sponsored by the author and is supported by various organizations, including: California State Parks Foundation, Planning and Conservation League, Surfrider Foundation, and The Nature Conservancy. There is no registered opposition. AB 1269 passed the Assembly Environmental Safety and Toxic Materials Committee on April 27, 2005 by a vote of 5 to 1. This measure has been referred to the Assembly Appropriations Committee and is pending a hearing date.

AB 1769 (Negrete Mcleod) as amended on June 6, 2005 provides an exemption for the Los Angeles County Fire Chief from the mandatory retirement provisions under the County Employees Retirement Law of 1937. AB 1769 allows this exemption only if the person was employed as fire chief prior to May 1, 2005 and the person retires before April 1, 2009, and extends this exemption only through April 1, 2009. If the exemption is not extended by January 1, 2010, the exemption would become inoperative. AB 1769

also makes changes to other public retirement systems unrelated to the County. Consistent with the Board's instruction of February 15, 2005 to secure legislation to amend the County Employee Retirement Law of 1937 to exempt the County's Fire Chief from mandatory retirement requirements, **our Sacramento advocates will support AB 1769 as a co-sponsor** with the State Association of County Retirement Systems. On June 8, 2005, AB 1769 passed the Assembly Committee on Public Employees, Retirement and Social Security by a vote of 5 to 1.

Status of County-Interest Legislation

County-support and amend SB 153 (Chesbro), which would enact the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2006, was amended on the Senate Floor to revise funding allocations in the bill and then passed on June 2, 2005, by a vote of 22 to 12.

As amended, SB 153 does not specify major funding categories for State Parks, Local Assistance Program, Land, Air and Water Conservation Program, and Historical and Cultural Resources Preservation. Previously, the bill allocated one-third of the \$3 billion in available funds to each of three major funding categories: State Parks, Urban Parks, and a third funding category that was untitled. The County is requesting that the bill be amended to include beaches in the definition of parks for the purpose of qualifying for park funding programs. SB 153 now moves to the Assembly.

Other Legislation of County-Interest

ACA 16 (Gordon), would lower the threshold for approval of a special tax for supplemental funding for sheriff, police or fire protection services from a two-thirds to a 55 percent majority of votes cast. It would prohibit the revenues from the tax from being used to supplant any other funding source for the provision of these services. Existing law authorizes local governments to impose a general tax for general governmental purposes with approval of a majority of the voters participating in the election. It also authorizes local governments to impose a special tax for specified purposes with the approval of two-thirds of the voters. The passage of Proposition 39 in the 2000 General Election authorized local entities to incur school bond indebtedness with the approval of 55 percent of the voters. ACA 16 would create another exception to the two-thirds voter threshold for special taxes.

The proponents of ACA 16 indicate that Federal and State budget cuts have resulted in substantial reductions in local government funding which have undercut their ability to adequately fund public safety services. Lack of funding has resulted in personnel cuts, hiring freezes, jail closures, and challenges in upgrading and maintaining the equipment needed to provide these services, which compromises the ability of public safety agencies to respond in major emergencies.

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Opponents assert that the measure is a direct assault on, and undermines a critical provision of, Proposition 13, which established a two-thirds voter approval requirement for special taxes imposed by local governments. Opponents further contend that any lowering of the two-thirds vote requirement would result in massive tax hikes.

ACA 16 is co-sponsored by the Los Angeles County Sheriff's Department and the California Professional Firefighters. It is supported by the California Fire Chiefs Association, the California Law Enforcement Records Supervisors, the California State Sheriffs' Association, and the League of California Cities. It is opposed by the California Taxpayers' Association and the Howard Jarvis Taxpayers Association.

ACA 16 is awaiting consideration on the Assembly Floor.

We will continue to keep you advised.

DEJ:GK
MAL:JF:MS:EW:LY:lm

c: Executive Officer, Board of Supervisors
County Counsel
Local 660
All Department Heads
Legislative Strategist
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants